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April 5, 2005

Mr. Charles Terreni
Chief Clerk of the Commission
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211

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SC PUBLIC SERVICE
COMMISSION

Re: Joint Petition for Arbitration of NewSouth Communications Corp., NuVox Communications, Inc., KMC Telecom V, Inc., KMC Telecom III LLC, and Xspedius [Affiliates] an Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the Communications Act of 1934, as Amended
Docket No. 2005-57-C

Dear Mr. Terreni:

Enclosed for filing are the original and ten copies of BellSouth Telecommunications, Inc.'s Answer to the Petition for Arbitration of NewSouth Communications Corp., Nuvox Communications, Inc., KMC Telecom V, Inc., KMC Telecom III LLC, and Xspedius Communications, LLC in the above-referenced matter. By copy of this letter, BellSouth is serving this Answer on all parties of record to this docket.

Sincerely,

Patrick W. Turner

PWT/nml
Enclosure
cc: All Parties of Record
DM5 # 580038

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

In the Matter of)
)
Joint Petition for Arbitration of)
)
NewSouth Communications Corp.,)
NuVox Communications, Inc.)
KMC Telecom V, Inc., KMC Telecom III LLC, and)
Xspedius Communications, LLC on Behalf of its)
Operating Subsidiaries Xspedius Management Co.)
Switched Services, LLC, Xspedius Management Co.)
Of Charleston, LLC, Xspedius Management)
Co. of Columbia, LLC, Xspedius Management Co.)
Of Greenville, LLC, and Xspedius Management Co.)
Of Spartanburg, LLC)
)
Of an Interconnection Agreement with)
BellSouth Telecommunications, Inc.)
Pursuant to Section 252(b) of the)
Communications Act of 1934, as Amended)
)

Docket No. 2005-57-G

Filed: April 5, 2005

**BELLSOUTH TELECOMMUNICATIONS, INC.'S ANSWER TO THE PETITION
FOR ARBITRATION OF NEWSOUTH COMMUNICATIONS CORP., NUVOX
COMMUNICATIONS, INC., KMC TELECOM V, INC., KMC TELECOM III LLC,
AND XSPEDIUS COMMUNICATIONS, LLC**

Pursuant to 47 U.S.C. § 252(b)(3), BellSouth Telecommunications, Inc. ("BellSouth"), responds to the Petition for Arbitration ("Petition") filed by NewSouth Communications Corp., NuVox Communications, Inc., KMC Telecom V, Inc., KMC Telecom III, LLC, and Xspedius Communications, LLC, on behalf of its South Carolina operating subsidiaries (collectively, "Petitioners") and states the following:

1. Sections 251 and 252 of the Telecommunications Act of 1996 ("1996 Act") encourage negotiations between parties to reach local interconnection agreements. Section

251(c)(1) of the 1996 Act requires incumbent local exchange companies to negotiate the particular terms and conditions of agreements to fulfill the duties described in Sections 251(b) and 251(c)(2)-(6).

2. As part of the negotiation process, the 1996 Act allows a party to petition a state commission for arbitration of unresolved issues.¹ The petition must identify the issues resulting from the negotiations that are resolved, as well as those that are unresolved.² The petitioning party must submit along with its petition “all relevant documentation concerning: (1) the unresolved issues; (2) the position of each of the parties with respect to those issues; and (3) any other issues discussed and resolved by the parties.”³ A non-petitioning party to a negotiation under this section may respond to the other party’s petition and provide such additional information as it wishes within 25 days after a commission receives the petition.⁴ The 1996 Act limits a commission’s consideration of any petition (and any response thereto) to the unresolved issues set forth in the petition and in the response.⁵

3. Through the arbitration process, a commission must resolve the unresolved issues ensuring that the requirements of Sections 251 and 252 of the 1996 Act are met. The obligations contained in those sections of the 1996 Act are the obligations that form the basis for negotiation, and if negotiations are unsuccessful, then form the basis for arbitration. Issues or topics not specifically related to these areas are outside the scope of an arbitration proceeding. Once a

¹ 47 U.S.C. § 252(b)(2).

² *See generally*, 47 U.S.C. §§ 252 (b)(2)(A) and 252 (b)(4).

³ 47 U.S.C. § 252(b)(2).

⁴ 47 U.S.C. § 252(b)(3).

⁵ 47 U.S.C. § 252(b)(4).

commission has provided guidance on the unresolved issues, the parties must incorporate those resolutions into a final agreement to be submitted to a commission for approval.⁶

4. BellSouth and Petitioners previously entered into interconnection agreements in South Carolina that have now expired. Although BellSouth and Petitioners negotiated in good faith as to the terms and conditions for a new interconnection agreement, the parties have been unable to reach agreement on some issues and, as a result, Petitioners filed their Petition. BellSouth responds below to each of the separately numbered paragraphs of the Petition:

5. BellSouth lacks information sufficient to either admit or deny the allegations in Paragraph 1 of the Petition. These allegations, therefore, are denied.

6. The allegations in Paragraph 2 of the Petition require no response from BellSouth.

7. BellSouth admits the allegations in Paragraph 3 of the Petition, except the allegation that “BellSouth has, at relevant times been a dominant provider of telephone exchange service.” Petitioners do not define the term “dominant carrier,” and BellSouth does not know what significance is intended by this term in the context of Paragraph 3. Accordingly, this allegation is denied.

8. BellSouth states that the provisions of the 1996 Act referenced in Paragraph 15 of the Petition speak for themselves and require no response from BellSouth. In an abundance of caution, the allegations of Paragraph 15 of the Petition are denied to the extent that they are inconsistent with BellSouth’s statement of the issues and/or with BellSouth’s position on the issues as set forth in Exhibit A to this Answer.

9. BellSouth is without knowledge of the allegations of Paragraphs 5-7 of the Petition. Accordingly, they are denied.

⁶ 47 U.S.C. § 252(a).

10. Responding to the allegations in Paragraph 8 of the Petition, BellSouth admits only that Petitioners are operating under expired interconnection agreements. BellSouth denies the allegation “that Joint Petitioners and BellSouth have agreed to continue to operate pursuant to the rates, terms, and conditions of their respective interconnection agreements until such time as their replacement interconnection agreements are approved by the Commission.” BellSouth’s position regarding the proper scope of the parties’ “Abeyance Agreement” is fully set forth in BellSouth’s Brief in Response to Petition for Emergency Relief, pp. 22-28, filed on March 8, 2005, in Docket No. 2004-316-C, which is incorporated herein by reference.

11. The allegations of Paragraphs 9 and 10 are admitted.

12. The allegations in Paragraph 11 of the Petition are admitted to the extent such allegations accurately quote paragraph 5 of the Joint Motion to Withdraw Petition for Arbitration that the parties filed on July 16, 2004, in Docket No. 2004-42-C.

13. The allegations of Paragraph 12 of the Petition are denied. Commission Order No. 2004-472, dated October 6, 2004, issued in Docket No. 2004-42-C (Order Granting Joint Motion for Leave to Withdraw) speaks for itself and requires no response from BellSouth.

14. BellSouth admits the allegations of Paragraph 13 of the Petition, with the exception of the reference to “other applicable law.” Petitioners do not identify such law, and BellSouth does not know what significance is intended by this term in the context of Paragraph 13. Accordingly, this allegation is denied.

15. Responding to the allegations of Paragraph 14 of the Petition, it remains BellSouth’s position that it is improper for Joint Petitioners to file a Joint Petition for arbitration.⁷

⁷ See Docket No. 2004-42-C, BellSouth’s Motion to Sever or to Adopt Procedural Requirements filed on February 27, 2004, and BellSouth’s Reply to Petitioners’ Response to BellSouth’s Motion to Sever, filed on March 15, 2004.

That said, BellSouth will abide by the terms of Commission Order Nos. 2004-470 and 2004-472, issued in Docket No. 2004-42-C.

16. BellSouth states that the provisions of the 1996 Act referenced in Paragraph 15 speak for themselves and require no response from BellSouth.

17. BellSouth admits that the pertinent statutory deadlines are accurately set forth in Paragraph 16 of the Petition, and BellSouth admits that the initial Joint Petition and the revised Joint Petition were timely filed. The remainder of this Paragraph references sections of the 1996 Act and Commission Order No. 2004-472, all of which speaks for itself. Accordingly, no response from BellSouth is required.

18. BellSouth states that the provisions of law referenced in Paragraphs 17-21 if the Petition speak for themselves and require no response from BellSouth. In an abundance of caution, the allegations of Paragraphs 17-21 of the Petition are denied to the extent that they are inconsistent with BellSouth's statement of the issues and/or with BellSouth's position on the issues as set forth in Exhibit A to this Answer.

19. In response to Paragraphs 22 and 23 of the Petition, BellSouth states that these Paragraphs do not contain factual allegations to which a response is required, but rather are composed of a list of the issues as framed by the Petitioners, along with the Petitioners' positions on the issues and some of BellSouth's positions on the issues. Given the ongoing nature of negotiations, and in the spirit of compromise, BellSouth has modified its position on a number of issues to address the Petitioners' concerns. Some of BellSouth's proposals were made after the filing of the Petition, and are thus not included in Paragraph 23. Additionally, some issues (63, 94, and 96) have been resolved since the filing of the Petition, yet remain in Paragraph 23. Further, Paragraph 23 contains numerous statements that inaccurately reflect the scope of the

parties' Abeyance Agreement. *See* CLECs' Position regarding Items 23, 107, 111, 112, 113, and 114.

To provide the Commission with an updated and accurate view of the parties' position, attached as Exhibit A to this Answer is an updated Matrix that reflects the unresolved issues and the positions of both BellSouth and the Petitioners. Each statement of an issue contained in the Matrix has been agreed upon by the parties unless otherwise indicated. The Matrix also identifies the issues that have been resolved since the filing of the original Petition on February 11, 2004. In each such instance, the issue number remains in the attached Matrix (so that it matches the numbering of the matrix attached to the Petition), but the statement of the issue and the parties' respective positions have been replaced by a notation that the issue has been resolved.

To the extent that any of the allegations in Paragraphs 22 and 23 of the Petition are inconsistent with BellSouth's statement of the issues and/or with BellSouth's position on the issues as set forth in Exhibit A to this Answer, such allegations are denied.

20. BellSouth is in the process of finalizing redlined copies of the various attachments that comprise the interconnection agreement that is the subject of this arbitration and that accurately reflect resolved and unresolved provisions of the Interconnection Agreement. BellSouth will file these attachments and serve them on the parties to this proceeding in the near future.

21. BellSouth has no objection to the Commission considering procedural requests of the type set forth in Paragraph 24 of the Petition, so long as BellSouth receives notice of any specific request by the Petitioners and is provided an opportunity to address any such request.

22. In response to Paragraph 25, BellSouth admits that the remaining unresolved issues require arbitration by the Commission.

23. BellSouth denies that the Petitioners are entitled to the relief requested in the “Wherefore” clause of the Petition. BellSouth also states that the Commission should reject the Petitioners’ positions on each and every one of the issues set forth in the Petition and, instead, should adopt BellSouth’s positions on each and every issue.

24. BellSouth notes that national and state telecommunications law and policy is ever changing and could potentially impact even those provisions of the parties’ interconnection agreement that are not currently in dispute. In the event changes and/or clarifications of the law impact the disputed and/or undisputed provisions of the parties’ interconnection agreement (and the parties are unable to agree on how any such changes and/or clarifications are to be incorporated into the parties’ interconnection agreement), BellSouth reserves the right to seek further redress from the Commission on those issues.

25. BellSouth denies each and every allegation in the Petition not expressly admitted herein, and demands strict proof thereof.

26. Finally, BellSouth states that the parties have not yet negotiated the *TRRO* and have not raised substantive issues relating to the *TRRO* in this arbitration because it was not effective until March 11, 2005. BellSouth reserves the right to address any additional issues related to the *TRRO* in the existing Generic Change of Law proceedings or in any other appropriate proceeding the Commission may establish.

Respectfully submitted, this 5th day of April, 2005.

BELLSOUTH TELECOMMUNICATIONS, INC.

A handwritten signature in black ink, appearing to read "Patrick Turner", written over a horizontal line.

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EXHIBIT A

KMC / NEWSOUTH / NUVOX / XSPEDIUS - BELLSOUTH ARBITRATION ISSUES MATRIX¹

April 5, 2005

Public Service Commission of South Carolina Docket No. 2005-057-C

ISSUE #	ITEM NO.	§	UNRESOLVED ISSUE	JOINT PETITIONERS' POSITION	BELLSOUTH POSITION
GT&Cs (MAIN)					
1	G-1	1.6	<i>This issue has been resolved.</i>		
2	G-2	1.7	<i>How should "End User" be defined?</i>	"End user" should be defined as the "customer of a Party."	<p>The Joint Petitioners should not be able to use a definition of "End User" that allows them to obtain UNEs in a unlawful manner. BellSouth has offered three definitions that address BellSouth's concerns as well as insuring the Joint Petitioners that they will be able to obtain UNEs in compliance with the law:</p> <p>End User, as used in this Interconnection Agreement, means the retail customer of a Telecommunications Service, excluding ISPs/ESPs, and does not include Telecommunications carriers such as CLECs, ICOs and IXC's. This definition is intended to distinguish between the customers that the industry typically</p>

¹ KMC, NewSouth, NuVox and Xspedius are jointly arbitrating all issues raised in this arbitration proceeding.

**KMC / NEWSOUTH / NUVOX / XSPEDIUS - BELLSOUTH ARBITRATION
ISSUES MATRIX**

ISSUE #	ITEM No.	§	UNRESOLVED ISSUE	JOINT PETITIONERS' POSITION	BELLSOUTH POSITION
					<p>considers to be End Users, i.e. the retail customer that picks the phone up and uses it to make or receive calls, and a carrier that is the wholesale customer of a telecommunications carrier, e.g., for transport services.</p> <p><i>Customer, as used in this Interconnection Agreement, means the wholesale customer of a Telecommunications Service that may be an ISP/ESP, CLEC, ICO or IXC.</i></p> <p>This definition is used in situations where the provision of a service is to a carrier, such as an IXC or another CLEC. An example would be in the provision of EELs: The FCC expressly stated that the EEL eligibility criteria apply whether the CLEC is using the service for the provision of retail services (i.e., to a traditional End User) or wholesale services (e.g., where a CLEC purchases an EEL, terminating to an End User customer premises, and sells that EEL on a wholesale basis to another carrier that will then provide the service to the End User).</p> <p><i>End User, as used in this Interconnection Agreement, means the End User or any other retail customer of a Telecommunications Service,</i></p>

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					<i>including ISPs/ESPs, CLECs, ICOs and IXCs, that are provided the retail Telecommunications Service for the exclusive use of the personnel employed by ISPs/ESPs, CLECs, ICOs and IXCs, such as the administrative business lines used by the ISPs/ESPs, CLECs, ICOs and IXCs at their business locations, where such ISPs/ESPs, CLECs, ICOs and IXCs are treated as End Users. This definition addresses circumstances where a carrier, such as an IXC, is actually an End User in the traditional sense of the word.</i>
3	G-3	10.2	<i>This issue has been resolved.</i>		
4	G-4	10.4.1	<i>What should be the limitation on each Party's liability in circumstances other than gross negligence or willful misconduct?</i>	In cases other than gross negligence and willful misconduct by the other party, or other specified exemptions as set forth in CLECs' proposed language, liability should be limited to an aggregate amount over the entire term equal to 7.5% of the aggregate fees, charges or other amounts paid or payable for any and all services provided or to be provided pursuant to the Agreement as of the day on which the claim arose.	The industry standard limitation of liability should apply, which limits the liability of the provisioning party to a credit for the actual cost of the services or functions not performed or improperly performed
5	G-5	10.4.2	<i>Joint Petitioners' Issue Statement:</i> <i>To the extent that a Party does not or is unable to</i>	NO. Petitioners cannot limit BellSouth's liability in contractual arrangements wherein BellSouth is not a party. Moreover, Petitioners will not indemnify BellSouth in any suit based on BellSouth's	If a CLEC elects not to limit its liability to its customers in accordance with industry norms, the CLEC should bear the risk of loss arising from that business decision. The purpose of this

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			<p><i>include specific limitation of liability terms in all of its tariffs and End User contracts (past, present and future), should it be obligated to indemnify the other Party for liabilities not limited?</i></p> <p>BellSouth Statement:</p> <p><i>If the CLEC does not have in its contracts with end users and/or tariffs standard industry limitations of liability, who should bear the resulting risks?</i></p>	<p>failure to perform its obligations under this contract or to abide by applicable law. Finally, BellSouth should not be able to dictate the terms of service between Petitioners and their customers by, among other things, holding Petitioners liable for failing to mirror BellSouth's limitation of liability and indemnification provisions in CLEC's end user tariffs and/or contracts. To the extent that a CLEC does not, or is unable to, include specific elimination-of-liability terms in all of its tariffs and customer contracts (past, present and future), and provided that the non-inclusion of such terms is commercially reasonable in the particular circumstances, that CLEC should not be required to indemnify and reimburse BellSouth for that portion of the loss that would have been limited (as to the CLEC but not as to non-contracting parties such as BellSouth) had the CLEC included in its tariffs and contracts the elimination-of-liability terms that BellSouth was successful in including in its tariffs at the time of such loss.</p>	<p>provision is to put BellSouth in the same position it would be in if the customer were a BellSouth customer rather than a Joint Petitioner customer. This is because BellSouth is unable to limit its liability to the Joint Petitioner's customer as it would for its own customer and therefore needs the level of protection from the Joint Petitioners in the event the Joint Petitioners choose to deviate from standard industry practices.</p>
6	G-6	10.4.4	<p>Joint Petitioners' Issue Statement:</p> <p><i>Should the Agreement expressly state that liability for claims or suits for damages incurred by</i></p>	<p>YES. Such an express statement is needed because the limitation of liability terms in the Agreement should in no way be read so as to preclude damages that CLECs' customers incur as a foreseeable result of BellSouth's performance of its obligations under the Agreement, including its</p>	<p>The types of damages that constitute and who is entitled to recover (like the Joint Petitioners' end users) indirect, incidental or consequential damages is a matter of state law and should not be dictated by a party to an agreement. Further, the Joint Petitioners should not</p>

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ISSUE #	ITEM NO.	§	UNRESOLVED ISSUE	JOINT PETITIONERS' POSITION	BELL SOUTH POSITION
			<p><i>CLEC's (or BellSouth's) customers/End Users resulting directly and in a reasonably foreseeable manner from BellSouth's (or CLEC's) performance of obligations set forth in the Agreement are not indirect, incidental or consequential damages?</i></p> <p>BellSouth Issue Statement:</p> <p><i>How should indirect, incidental or consequential damages be defined for purposes of the Agreement?</i></p>	<p>provisioning of UNEs and other services. Damages to customers that result directly, proximately, and in a reasonably foreseeable manner from BellSouth's (or a CLEC's) performance of obligations set forth in the Agreement that were not otherwise caused by, or are the result of, a CLEC's (or BellSouth's) failure to act at all relevant times in a commercially reasonable manner in compliance with such Party's duties of mitigation with respect to such damage should be considered direct and compensable under the Agreement for simple negligence or nonperformance purposes.</p>	<p>be allowed to use this agreement to preserve or carve out certain rights their customers may have against BellSouth. In any event, the Joint Petitioners concede that their proposed language is of no force and effect. Based on this admission, there is no reason to include their proposed language in the agreement.</p>
7	G-7	10.5	<p><i>What should the indemnification obligations of the parties be under this Agreement?</i></p>	<p>The Party providing service under the Agreement should be indemnified, defended and held harmless by the Party receiving services against any claim for libel, slander or invasion of privacy arising from the content of the receiving Party's own communications. Additionally, customary provisions should be included to specify that the Party receiving services under the Agreement should be indemnified, defended and held harmless by the Party providing services against any claims, loss or damage to the extent reasonably arising from: (1)</p>	<p>The Party providing services should be indemnified, defended and held harmless by the Party receiving services against any claim, loss or damage arising from the receiving Party's use of the services provided under this Agreement pertaining to (1) claims for libel, slander or invasion of privacy arising from the content of the receiving Party's own communications, or (2) any claim, loss or damage claimed by the end user or Customer of the Party receiving services arising from such</p>

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				the providing Party's failure to abide by Applicable Law, or (2) injuries or damages arising out of or in connection with this Agreement to the extent caused by the providing Party's negligence, gross negligence or willful misconduct.	company's use or reliance on the providing Party's services, actions, duties, or obligations arising out of this Agreement. This indemnification obligation shall not apply the extent any claims, loss, or damage is caused by the providing Party's gross negligence or willful misconduct.
8	G-8	11.1	<i>This issue has been resolved.</i>		
9	G-9	13.1	<i>Should a court of law be included in the venues available for initial dispute resolution for disputes relating to the interpretation or implementation of the Interconnection Agreement?</i>	No legitimate dispute resolution venue should be foreclosed to the Parties and either Party should be able to petition the Commission, the FCC, or a court of competent jurisdiction for resolution of a dispute.	This Commission or the FCC should resolve disputes between the parties for matters that are within the Commission's or the FCC's expertise. For matters that lie outside such expertise, the parties should be able to bring disputes to a court of law.
10	G-10	17.4	<i>This issue has been resolved.</i>		
11	G-11	19, 19.1	<i>This issue has been resolved.</i>		
12	G-12	32.2	<i>Should the Agreement explicitly state that all existing state and federal laws, rules, regulations, and decisions apply unless otherwise specifically agreed to by the Parties?</i>	Nothing in the Agreement should be construed to limit a Party's rights or exempt a Party from obligations under Applicable Law, as defined in the Agreement, except in such cases where the Parties have explicitly agreed to a limitation or exemption. Moreover, silence with respect to any issue, no matter how discrete, should not	BellSouth's proposed language acknowledges an underlying obligation to provide services in accordance with applicable rules, regulations, etc. and that the parties have negotiated what those obligations are. However, in the unlikely event that an issue arises in the future where the parties dispute whether

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				<p>construed to be such a limitation or exception. This is a basic legal tenet and is consistent with both federal and Georgia law (agreed to by the parties), and it should be explicitly stated in the Agreement in order to avoid unnecessary disputes and litigation that has plagued the Parties in the past.</p>	<p>there is an obligation regarding substantive telecommunications law that has or has not been included in the agreement, and the parties further dispute whether they had or had not negotiated their obligations with respect to that law, then the parties should attempt to resolve the dispute by amending the agreement to define and include such obligation. In the event that the parties cannot agree on what the obligation is, or whether such obligation exists under the law, then the Commission should resolve that dispute. In the event the Commission finds that at an obligation exists that was not previously included in the interconnection agreement, the parties should then amend the agreement <i>prospectively</i> to include such an obligation. To require retroactive compliance in such circumstances would be inappropriate. BellSouth is not attempting to avoid its obligations under the law; it is simply trying to ensure that its obligations are sufficiently defined so that it can comply with them and can expect compliance.</p>
13	G-13	32.3	<i>This issue has been resolved.</i>		

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14	G-14	34.2	<i>This issue has been resolved.</i>		
15	G-15	45.2	<i>This issue has been resolved.</i>		
16	G-16	45.3	<i>This issue has been resolved.</i>		
RESALE (ATTACHMENT 1)					
17	1-1	3.19	<i>This issue has been resolved.</i>		
18	1-2	11.6.6	<i>This issue has been resolved.</i>		
NETWORK ELEMENTS (ATTACHMENT 2)					
19	2-1	1.1	<i>This issue has been resolved.</i>		
20	2-2	1.2	<i>This issue has been resolved.</i>		
21	2-3	1.4.2	<i>This issue has been resolved.</i>		
22	2-4	1.4.3	<i>This issue has been resolved.</i>		
23	2-5	1.5	<i>What rates, terms, and conditions should govern the CLECs' transition of existing network elements that BellSouth is no longer obligated to provide as UNEs to other services?</i>	In the event UNEs or Combinations are no longer offered pursuant to, or are not in compliance with, the terms set forth in the Agreement, including any transition plan set forth therein, it should be BellSouth's obligation to identify the specific service arrangements that it insists be transitioned to other pursuant to Attachment 2. There should be no service order, labor, disconnection or other nonrecurring charges	<i>BellSouth submits that this issue should be resolved in the Change of Law Generic Proceeding. BellSouth also reserves the right to modify its position as it has yet to incorporate the findings from the TRRO into its positions. Subject to the foregoing, BellSouth's position on this issue is set forth below.</i> At the conclusion of the Transition

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				<p>associated with the transition of section 251 UNEs to other services.</p> <p><i>This is an issue which Joint Petitioners are agreeable to having resolved in the Commission's Generic Proceeding (SCPSC Docket No. 2004-316-C), provided that adequate procedures are established for translating the results of the generic resolution of these issues into compliant contract language that gets incorporated into the arbitrated Agreement.</i></p>	<p>Period, in the absence of an effective FCC ruling that Mass Market Switching, DS1, or equivalent, and higher capacity loops, including dark fiber loops (collectively "Enterprise Market Loops"), and DS1, or equivalent, and higher capacity dedicated transport, including dark fiber transport (collectively "High Capacity Transport"), or any subset thereof (individually or collectively referred to herein as the "Eliminated Elements") are subject to unbundling, the CLEC must transition Eliminated Elements to either Resale, tariffed services, or services offered pursuant to a separate agreement negotiated between the Parties (collectively "Comparable Services") or must disconnect such Eliminated Elements, as set forth below.</p> <p><u>Eliminated Elements including Mass Market Switching Function ("Switching Eliminated Elements")</u>. In the event that the CLEC has not entered into a separate agreement for the provision of Mass Market Switching or services that include Mass Market Switching, the CLEC will submit orders to either disconnect Switching Eliminated Elements or convert such Switching Eliminated Elements to Resale within</p>

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					<p>thirty (30) days of the last day of the Transition Period. If the CLEC submits orders to transition such Switching Eliminated Elements to Resale within thirty (30) days of the last day of the Transition Period, applicable recurring and nonrecurring charges shall apply as set forth in the appropriate BellSouth tariff, subject to the appropriate discounts described in the resale attachment of the Agreement. If the CLEC fails to submit orders within thirty (30) days of the last day of the Transition Period, BellSouth shall transition such Switching Eliminated Elements to Resale, and the CLEC shall pay the applicable nonrecurring and recurring charges as set forth in the appropriate BellSouth tariff, subject to the appropriate discounts described in the resale attachment of this Agreement. In such case, the CLEC shall reimburse BellSouth for labor incurred in identifying the lines that must be converted and processing such conversions. If no equivalent Resale service exists, then BellSouth may disconnect such Switching Eliminated Elements if the CLEC does not submit such orders within thirty (30) days of the last day of the Transition Period. In all cases, until Switching Eliminated</p>

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Issue #	Item No.	§	UNRESOLVED ISSUE	JOINT PETITIONERS' POSITION	BELLSOUTH POSITION
					<p>Elements have been converted to Comparable Services or disconnected, the applicable recurring and nonrecurring rates for Switching Eliminated Elements during the Transition Period shall apply as set forth in the Agreement. Applicable nonrecurring disconnect charges may apply for disconnection of service or conversion to Comparable Services.</p> <p><u>Other Eliminated Elements.</u> Upon the end of the Transition Period, the CLEC must transition the Eliminated Elements other than Switching Eliminated Elements ("Other Eliminated Elements") to Comparable Services. Unless the Parties agree otherwise, Other Eliminated Elements shall be handled as follows.</p> <p>The CLEC will identify and submit orders to either disconnect Other Eliminated Elements or transition them to Comparable Services within thirty (30) days of the last day of the Transition Period. Rates, terms and conditions for Comparable Services shall apply per the applicable tariff for such Comparable Services as of the date the order is completed. Where the CLEC requests to transition a minimum</p>

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					<p>of fifteen (15) circuits per state, the CLEC may submit orders via a spreadsheet process and such orders will be project managed. In all other cases, the CLEC must submit such orders pursuant to the local service request/access service request (LSR/ASR) process, dependent on the Comparable Service elected. For such transitions, the non-recurring and recurring charges shall be those set forth in BellSouth's FCC#1 tariff, or as otherwise agreed in a separately negotiated agreement. Until such time as the Other Eliminated Elements are transitioned to such Comparable Services, such Other Eliminated Elements will be provided pursuant to the rates, terms and conditions applicable to the subject Other Eliminated Elements during the Transition Period as set forth in the Agreement.</p> <p>If the CLEC fails to identify and submit orders for any Other Eliminated Elements within thirty (30) days of the last day of the Transition Period, BellSouth may transition such Other Eliminated Elements to Comparable Services. The rates, terms and conditions for such Comparable</p>

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					<p>Services shall apply as of the date following the end of the Transition Period. If no Comparable Services exist, then BellSouth may disconnect such Other Eliminated Elements if the CLEC does not submit such orders within thirty (30) days of the last day of the Transition Period. In such case the CLEC shall reimburse BellSouth for labor incurred in identifying such Other Eliminated Elements and processing such orders and the CLEC shall pay the applicable disconnect charges set forth in this Agreement. Until such time as the Other Eliminated Elements are disconnected pursuant to this Agreement, such Other Eliminated Elements will be provided pursuant to the rates, terms and conditions applicable to the subject Other Eliminated Elements during the Transition Period as set forth in this Agreement.</p> <p>In the event that the Interim Rules are vacated by a court of competent jurisdiction, the CLEC should immediately transition Mass Market Switching, Enterprise Market Loops and High Capacity Transport as set forth above, applied from the effective date of such vacatur, without regard to the</p>

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					Interim Period or Transition Period. In the event that any Network Element, other than those addressed above, is no longer required to be offered by BellSouth pursuant to Section 251 of the Act, the CLEC shall immediately transition such elements as set forth above, applied from the effective date of the order eliminating such obligation.
24	2-6	1.5.1	<i>This issue has been resolved.</i>		
25	2-7	1.6.1	<i>This issue has been resolved.</i>		
26	2-8	1.7	<i>Should BellSouth be required to commingle UNEs or Combinations with any service, network element or other offering that it is obligated to make available pursuant to Section 271 of the Act?</i>	Yes, BellSouth should be required to “commingle” UNEs or Combinations of UNEs with any service, network element, or other offering that it is obligated to make available pursuant to section 271 of the Act.	<i>BellSouth submits that this issue should be resolved in the Change of Law Generic Proceeding. BellSouth also reserves the right to modify its position as it has yet to incorporate the findings from the TRRO into its positions. Subject to the foregoing, BellSouth's position on this issue is set forth below.</i> No, consistent with the FCC's errata to the Triennial Review Order, there is no requirement to commingle UNEs or Combinations of UNEs with services, network elements or other offerings

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					made available only under Section 271 of the Act.
27	2-9	1.8.3	<i>This issue has been resolved.</i>		
28	2-10	1.9.4	<i>This issue has been resolved.</i>		
29	2-11	2.1.1	<i>This issue has been resolved.</i>		
30	2-12	2.1.1.1	<i>This issue has been resolved.</i>		
31	2-13	2.1.1.2	<i>This issue has been resolved.</i>		
32	2-14	2.1.2, 2.1.2.1, 2.1.2.2	<i>This issue has been resolved.</i>		
33	2-15	2.2.3	<i>This issue has been resolved.</i>		
34	2-16	2.3.3	<i>This issue has been resolved.</i>		
35	2-17	2.4.3, 2.4.4	<i>This issue has been resolved.</i>		
36	2-18	2.12.1	<p>(A) How should line conditioning be defined in the Agreement?</p> <p>(B) What should BellSouth's obligations be with respect to line conditioning?</p>	<p>(A) Line Conditioning should be defined in the Agreement as set forth in FCC Rule 47 CFR 51.319 (a)(1)(iii)(A).</p> <p>(B) BellSouth should perform line conditioning in accordance with FCC Rule 47 C.F.R. 51.319(a)(1)(iii).</p>	<p>BellSouth submits that this issue should be resolved in the Change of Law Generic Proceeding. BellSouth also reserves the right to modify its position as it has yet to incorporate the findings from the TRRO into its positions. Subject to the foregoing, BellSouth's position on this issue is set forth below.</p> <p>(A) Line Conditioning should be</p>

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					defined as routine network modification that BellSouth regularly undertakes to provide xDSL services to its own customers. (B) BellSouth should perform line conditioning functions as defined in 47 C.F.R. 51.319(a)(1)(iii) to the extent the function is a routine network modification that BellSouth regularly undertakes to provide xDSL to its own customers.
37	2-19	2.12.2	<i>Should the Agreement contain specific provisions limiting the availability of Line Conditioning to copper loops of 18,000 feet or less?</i>	No. There should not be any specific provisions limiting the availability of Line Conditioning (in this case, load coil removal) to copper loops of 18,000 feet or less in length.	<i>BellSouth submits that this issue should be resolved in the Change of Law Generic Proceeding. BellSouth also reserves the right to modify its position as it has yet to incorporate the findings from the TRRO into its positions. Subject to the foregoing, BellSouth's position on this issue is set forth below.</i> Yes, current industry technical standards require the placement of load coils on copper loops greater than 18,000 feet in length to support voice service and BellSouth does not remove them for BellSouth retail end users on copper loops of over 18,000 feet in length; therefore, such a modification would not constitute a routine network modification and is not required by applicable FCC orders.

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38	2-20	2.12.3, 2.12.4	<i>Under what rates, terms and conditions should BellSouth be required to perform Line Conditioning to remove bridged taps?</i>	Any copper loop being ordered by CLEC which has over 6,000 feet of combined bridged tap should be modified, upon request from CLEC, so that the loop will have a maximum of 6,000 feet of bridged tap. This modification should be performed at no additional charge to the CLEC. Line Conditioning orders that require the removal of other bridged tap should be performed at the rates set forth in Exhibit A of Attachment 2.	<p><i>BellSouth submits that this issue should be resolved in the Change of Law Generic Proceeding. BellSouth also reserves the right to modify its position as it has yet to incorporate the findings from the TRRO into its positions.</i></p> <p>Moreover, this issue is not appropriate for arbitration in this proceeding because it involves a request by the CLECs that is not encompassed within BellSouth's obligations pursuant to Section 251 of the Act.</p> <p><i>Subject to the foregoing, BellSouth's position on this issue is set forth below.</i></p> <p>Any copper loop being ordered by CLEC which has over 6,000 feet of combined bridged tap will be modified, upon request from CLEC, so that the loop will have a maximum of 6,000 feet of bridged tap. This modification will be performed at no additional charge to CLEC. Line conditioning orders that require the removal of bridged tap that serves no network design purpose on a copper loop that will result in a combined level of bridged tap between 2,500 and 6,000 feet will be performed at TELRIC. CLEC may request removal of any unnecessary and non-</p>

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					excessive bridged tap (bridged tap between 0 and 2,500 feet which serves no network design purpose), at rates pursuant to BellSouth's Special Construction Process contained in BellSouth's FCC No. 2 as mutually agreed to by the Parties. BellSouth is only required to perform line conditioning that it performs for its own xDSL customers and is not required to create a superior network for CLECs.
39	2-21	2.12.6	<i>This issue has been resolved.</i>		
40	2-22	2.14.3.1.1	<i>This issue has been resolved.</i>		
41	2-23	2.16.2.3.2	<i>This issue has been resolved.</i>		
42	2-24	2.17.3.5	<i>This issue has been resolved.</i>		
43	2-25	2.18.1.4	<i>This issue has been resolved.</i>		
44	2-26	3.6.5	<i>This issue has been resolved.</i>		
45	2-27	3.10.3	<i>This issue has been resolved.</i>		
46	2-28	3.10.4	<i>Joint Petitioners' Issue Statement:</i> <i>(A) May BellSouth refuse</i>	(A) NO, in cases where a Petitioner purchases UNEs from BellSouth, BellSouth should not be permitted to refuse to provide DSL transport or DSL services (of any	<i>This issue is not appropriate for arbitration in this proceeding because it involves a request by the CLECs that is not encompassed within BellSouth's</i>

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			<p><i>to provide DSL services to CLEC's customers absent an Commission order establishing a right for it to do so?</i></p> <p><i>(B) Should CLEC be entitled to incorporate into the Agreement, for the term of this Agreement, rates, terms and conditions that are no less favorable in any respect, than the rates terms and conditions that BellSouth has with any third party that would enable CLEC to serve a customer via a UNE loop that may also be used by BellSouth for the provision of DSL services to the same customer?</i></p> <p>BellSouth Issue Statement:</p> <p><i>Should the CLECs be allowed to incorporate any Commission decision that required BellSouth to provide FastAccess over UNE-P?</i></p>	<p>kind) to the Petitioner and its End Users, unless BellSouth has been expressly permitted to do so by the Commission.</p> <p>(B) YES, where BellSouth provides DSL transport/services to a CLEC and its customers, BellSouth should be required to amend this Agreement to incorporate terms that are no less favorable, in any respect, than the rates, terms and conditions pursuant to which BellSouth provides such transport and services to any other entity.</p>	<p><i>obligations pursuant to Section 251 of the Act. Subject to the foregoing, BellSouth's position on this issue is set forth below.</i></p> <p>Pursuant to the FCC's recent "all or nothing rule" regarding 251(i) and the Interim Rules, the CLECs cannot adopt any provision that requires BellSouth to provide Fast Access over UNE-P.</p> <p>Further, BellSouth should not be required to provide DSL transport or DSL services over UNEs to CLEC and its End Users as BellSouth's DSLAMs are not subject to unbundling. The FCC specifically stated in paragraph 288 of the TRO that they would "not require incumbent LECs to provide unbundled access to any electronics or other equipment used to transmit packetized information." Additionally, the FCC's Memorandum Opinion and Order and Notice of Inquiry released and effective March 25, 2005 states, "State decisions that require BellSouth to provide its DSL service over a competitive LEC's leased UNE loop facility impose a condition on the UNE facility that effectively unbundles the [low frequency portion of the loop], and is therefore inconsistent with federal law."</p>

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					Additionally, this issue is not appropriate for arbitration because under S.C. Code Ann. § 58-9-280(G), the Commission must not impose any requirements related to the terms, conditions, rates, or availability of broadband service (such as FastAccess) or otherwise regulate broadband service.
47	2-29	4.2.2	<i>This issue has been resolved.</i>		
48	2-30	4.5.5	<i>This issue has been resolved.</i>		
49	2-31	5.2.4	<i>This issue has been resolved.</i>		
50	2-32	5.2.5.2.1, 5.2.5.2.3, 5.2.5.2.4, 5.2.5.2.4, 5.2.5.2.7	<i>This issue has been resolved.</i>		
51	2-33	5.2.6, 5.2.6.1, 5.2.6.2, 5.2.6.2.1, 5.2.6.2.3	(A) <i>This issue has been resolved.</i> (B) <i>Should there be a notice requirement for BellSouth to conduct an audit and what should the notice include?</i>	(B) In order to invoke its limited right to audit CLEC's records to verify compliance with the high capacity EEL service eligibility criteria, BellSouth should send a Notice of Audit to the CLECs, identifying the particular circuits for which BellSouth alleges non-compliance and demonstrating the cause upon which BellSouth rests its allegations. The Notice of Audit should	<i>BellSouth submits that this issue should be resolved in the Change of Law Generic Proceeding. BellSouth also reserves the right to modify its position as it has yet to incorporate the findings from the TRRO into its positions. Subject to the foregoing, BellSouth's position on this issue is set forth below.</i>

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			<p>(C) <i>Who should conduct the audit and how should the audit be performed?</i></p>	<p>also include all supporting documentation upon which BellSouth establishes the cause that forms the basis of BellSouth's allegations of noncompliance. Such Notice of Audit should be delivered to the CLECs with all supporting documentation no less than thirty (30) days prior to the date upon which BellSouth seeks to commence an audit.</p> <p>(C) The audit should be conducted by a third party independent auditor mutually agreed upon by the Parties.</p>	<p>(B) BellSouth will provide notice to CLECs stating the cause upon which BellSouth rests its allegations of noncompliance with the service eligibility criteria at least thirty (30) days prior to the date of the audit. Contrary to the Joint Petitioners' position, the TRO does not obligate BellSouth to identify the circuits or provide supporting documentation that support the cause for the audit or limit its audit right to only those circuits that are identified in a notice.</p> <p>(C) The audit shall be conducted by an independent auditor, and the auditor must perform its evaluation in accordance with the standards established by the American Institute for Certified Public Accountants (AICPA). Consistent with standard auditing practices, such audits require compliance testing designed by the independent auditor, which typically include an examination of a sample selected in accordance with the independent auditor's judgment. The TRO does not require mutual agreement on the selection of an auditor and any concerns the Joint Petitioners may have about the independence of an auditor should be alleviated by BellSouth's</p>

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					agreement that the audit will be performed in accordance with AICPA standards.
52	2-34	5.2.6.2.3	<i>This issue has been resolved.</i>		
53	2-35	6.1.1	<i>This issue has been resolved.</i>		
54	2-36	6.1.1.1	<i>This issue has been resolved.</i>		
55	2-37	6.4.2	<i>This issue has been resolved.</i>		
56	2-38	7.2, 7.3	<i>This issue has been resolved.</i>		
57	2-39	7.4	<i>This issue has been resolved.</i>		
58	2-40	9.3.5	<i>This issue has been resolved.</i>		
59	2-41	14.1	<i>This issue has been resolved.</i>		
INTERCONNECTION (ATTACHMENT 3)					
60	3-1	3.3.4 (KMC, NSC, NVX) 3.3.3 XSP)	<i>This issue has been resolved.</i>		
61	3-2	9.6 (KMC), 9.6 (NSC), 9.6 (NVX,	<i>This issue has been resolved.</i>		

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62	3-3	XSP) 10.7.4 (NSC), 10.7.4 (NVX), 10.12.4 (XSP)	<i>This issue has been resolved.</i>		
63	3-4	10.8.6 (NSC), 10.8.6 (NVX), 10.13.5 (XSP)	<i>This issue has been resolved</i>		
64	3-5	10.7.4.2 (KMC), 10.5.5.2 (NSC), 10.5.6.2 (NVX) 10.10.6 (XSP)	<i>This issue has been resolved.</i>		
65	3-6	10.10.1 (KMC), 10.8.1 (NSC/ NVX) 10.13 (XSP)	<i>Should BellSouth be allowed to charge the CLEC a Tandem Intermediary Charge for the transport and termination of Local Transit Traffic and ISP-Bound Transit Traffic?</i>	No, BellSouth should not be permitted to impose upon Joint Petitioners a Tandem Intermediary Charge ("TIC") for the transport and termination of Local Transit Traffic and ISP-Bound Transit Traffic. The TIC is a non-TELRIC-based additive charge which exploits BellSouth's market power and is discriminatory.	<i>This issue is not appropriate for arbitration in this proceeding because it involves a request by the CLECs that is not encompassed within BellSouth's obligations pursuant to Section 251 of the Act. Subject to the foregoing, BellSouth's position on this issue is set forth below.</i>

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					Yes. BellSouth is not obligated to provide the transit function and the CLEC has the right pursuant to the Act to request direct interconnection to other carriers. Additionally, BellSouth incurs costs beyond those for which the Commission ordered rates were designed to address, such as the costs of sending records to the CLECs identifying the originating carrier. BellSouth does not charge the CLEC for these records and does not recover those costs in any other form.
66	3-7	10.1 (KMC), 10.1 (XSP)	<i>This issue has been resolved.</i>		
67	3-8	10.2, 10.3 (XSP)	<i>This issue has been resolved.</i>		
68	3-9	2.1.12 (XSP)	<i>This issue has been resolved.</i>		
69	3-10	3.2 (XSP), Ex. A (XSP)	<i>This issue has been resolved.</i>		
70	3-11	3.3.1, 3.3.2, 3.4.5, 10.10.2 (XSP)	<i>This issue has been resolved.</i>		
71	3-12	4.5 (XSP)	<i>This issue has been resolved.</i>		
72	3-13	4.6 (XSP)	<i>This issue has been resolved.</i>		

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73	3-14	10.10.4, 10.10.5, 10.10.6, 10.10.7 (XSP)	<i>resolved.</i> <i>This issue has been resolved.</i>		
COLLOCATION (ATTACHMENT 4)					
74	4-1	3.9	<i>This issue has been resolved.</i>		
75	4-2	5.21.1, 5.21.2	<i>This issue has been resolved.</i>		
76	4-3	8.1, 8.6	<i>This issue has been resolved.</i>		
77	4-4	8.4	<i>This issue has been resolved.</i>		
78	4-5	8.6	<i>This issue has been resolved.</i>		
79	4-6	8.11, 8.11.1, 8.11.2	<i>This issue has been resolved.</i>		
80	4-7	9.1.1	<i>This issue has been resolved.</i>		
81	4-8	9.1.2, 9.1.3	<i>This issue has been resolved.</i>		
82	4-9	9.3	<i>This issue has been resolved.</i>		
83	4-10	13.6	<i>This issue has been resolved.</i>		
ORDERING (ATTACHMENT 6)					
84	6-1	2.5.1	<i>This issue has been resolved.</i>		

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85	6-2	2.5.5	<i>This issue has been resolved.</i>		
86	6-3	2.5.6.2, 2.5.6.3	<p>(A) <i>This issue has been resolved.</i></p> <p>(B) <i>How should disputes over alleged unauthorized access to CSR information be handled under the Agreement?</i></p>	(B) If one Party disputes the other Party's assertion of non-compliance, that Party should notify the other Party in writing of the basis for its assertion of compliance. If the receiving Party fails to provide the other Party with notice that appropriate corrective measures have been taken within a reasonable time or provide the other Party with proof sufficient to persuade the other Party that it erred in asserting the non-compliance, the requesting Party should proceed pursuant to the Dispute Resolution provisions set forth in the General Terms and Conditions and the Parties should cooperatively seek expedited resolution of the dispute. "Self help", in the form of suspension of access to ordering systems and discontinuance of service, is inappropriate and coercive. Moreover, it effectively denies one Party the due process contemplated by Dispute Resolution provisions incorporated in the General Terms and Conditions of the Agreement.	(B) This issue addresses when a party is in violation of federal law as well as the Interconnection Agreement by obtaining unauthorized access to CSR information. In such an instance and when the offending party cannot prove that the violation has been cured, the alleging party should have the right to suspend and terminate service after notice sent via e-mail and an explicit cure period. If there is a legitimate dispute as to the allegation of unauthorized access to CSR information, the alleging party should seek expedited resolution of the dispute at the Commission before any suspension or termination of service.
87	6-4	2.6	<i>This issue has been resolved.</i>		
88	6-5	2.6.5	<i>What rate should apply for Service Date Advancement (a/k/a service expedites)?</i>	Rates for Service Date Advancement (a/k/a service expedites) of UNEs, interconnection or collocation must be set consistent with federal TELRIC pricing rules.	<i>This issue is not appropriate for arbitration in this proceeding because it involves a request by the CLECs that is not encompassed within BellSouth's</i>

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					<i>obligations pursuant to Section 251 of the Act. Subject to the foregoing, BellSouth's position on this issue is set forth below.</i>
89	6-6	2.6.25	<i>This issue has been resolved.</i>		BellSouth is not required to provide expedited service pursuant to The Act. If BellSouth elects to offer expedite capability as an enhancement to a CLEC, BellSouth's tariffed rates for service date advancement should apply.
90	6-7	2.6.26	<i>This issue has been resolved.</i>		
91	6-8	2.7.10.4	<i>This issue has been resolved.</i>		
92	6-9	2.9.1	<i>This issue has been resolved.</i>		
93	6-10	3.1.1	<i>This issue has been resolved.</i>		
94	6-11	3.1.2, 3.1.2.1	<i>This issue has been resolved.</i>		
BILLING (ATTACHMENT 7)					
95	7-1	1.1.3	<i>This issue has been resolved.</i>		
96	7-2	1.2.2	<i>This issue has been resolved.</i>		
97	7-3	1.4	<i>When should payment of charges for service be due?</i>	Payment of charges for services rendered should be due thirty (30) calendar days from	Payment for services should be due on or before the next bill date (Payment

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				receipt or website posting of a complete and fully readable bill or within thirty (30) calendar days from receipt or website posting of a corrected or retransmitted bill, in those cases where correction or retransmission is necessary for processing.	Due Date) in immediately available funds.
98	7-4	1.6	<i>This issue has been resolved.</i>		
99	7-5	1.7.1	<i>This issue has been resolved.</i>		
100	7-6	1.7.2	<i>Should CLEC be required to pay past due amounts in addition to those specified in BellSouth's notice of suspension or termination for nonpayment in order to avoid suspension or termination?</i>	CLECs should not be required to calculate and pay past due amounts in addition to those specified in BellSouth's notice of suspension or termination for nonpayment in order to avoid suspension or termination. Rather, if a Petitioner receives a notice of suspension or termination from BellSouth, with a limited time to pay non-disputed past due amounts, Petitioner should be required to pay only those amounts past due as of the date of the notice and as expressly and plainly indicated on the notice, in order to avoid suspension or termination. Otherwise, CLEC will risk suspension or termination due to possible calculation and timing errors.	Yes, if CLEC receives a notice of suspension or termination from BellSouth as a result of CLEC's failure to pay timely, CLEC should be required to pay all amounts that are past due as of the date of the pending suspension or termination action. To remove any question as to what additional amounts have become past due, BellSouth has offered to advise the CLEC of such amount upon request.
101	7-7	1.8.3	<i>How many months of billing should be used to determine the maximum amount of the deposit?</i>	The maximum amount of a deposit should not exceed two months' estimated billing for new CLECs or one and one-half month's actual billing for existing CLECs (based on average monthly billings for the	The maximum amount of deposit should be the average of two (2) months of actual billing for existing end users or Customers or estimated billing for new end users or Customers, which is

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				most recent six (6) month period). The one and one-half month's actual billing deposit limit for existing CLECs is reasonable given that balances can be predicted with reasonable accuracy and that significant portions of services are billed in advance. Alternatively, the maximum deposit amount should not exceed one month's billing for services billed in advance and two months' billing for services billed in arrears. This maximum deposit is reasonable and has been agreed to by BellSouth in other interconnection agreements.	consistent with the telecommunications industry's standard and BellSouth's practice with its end users and Customers.
102	7-8	1.8.3.1	<i>Should the amount of the deposit BellSouth requires from CLEC be reduced by past due amounts owed by BellSouth to CLEC?</i>	Yes. The amount of security due from an existing CLEC should be reduced by amounts due to CLEC by BellSouth aged over thirty (30) calendar days. BellSouth may request additional security in an amount equal to such reduction once BellSouth demonstrates a good payment history, as defined in the deposit provisions of Attachment 7 of the Agreement. This provision is appropriate given that the Agreement's deposit provisions are not reciprocal and that BellSouth's payment history with CLECs is often poor.	No, CLEC's remedy for addressing late payment by BellSouth should be suspension/termination of service or application of interest/late payment charges similar to BellSouth's remedy for addressing late payment by CLEC. BellSouth is willing to agree that, in the event that a deposit or additional deposit is requested of the CLEC, such deposit request shall be reduced by an amount equal to the undisputed past due amount, if any, that BellSouth owes the CLEC for payments pursuant to Attachment 3 of the Interconnection Agreement at the time of the request by BellSouth for a deposit.
103	7-9	1.8.6	<i>Should BellSouth be entitled to terminate</i>	No. BellSouth should have a right to terminate services to CLEC for failure to	Yes, thirty (30) calendar days is a commercially reasonable time period

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			<i>service to CLEC pursuant to the process for termination due to non-payment if CLEC refuses to remit any deposit required by BellSouth within 30 calendar days?</i>	remit a deposit requested by BellSouth only in cases where: (a) CLEC agrees that such a deposit is required by the Agreement, or (b) the Commission has ordered payment of such deposit. A dispute over a requested deposit should be addressed via the Agreement's Dispute Resolution provisions and not through "self-help".	within which CLEC should have met its fiscal responsibilities. BellSouth's position regarding a dispute over a requested deposit is set forth in its position on Issue 104 below.
104	7-10	1.8.7	<i>What recourse should be available to either Party when the Parties are unable to agree on the need for or amount of a reasonable deposit?</i>	If the Parties are unable to agree on the need for or amount of a reasonable deposit, either Party should be able to file a petition for resolution of the dispute and both parties should cooperatively seek expedited resolution of such dispute.	If CLEC does not agree with the amount or need for a deposit requested by BellSouth, CLEC may file a petition with the Commission for resolution of the dispute and BellSouth would cooperatively seek expedited resolution of such dispute. BellSouth shall not terminate service during the pendency of such a proceeding provided that CLEC posts a payment bond for half of the amount of the requested deposit during the pendency of the proceeding.
105	7-11	1.8.9	<i>This issue has been resolved.</i>		
106	7-12	1.9.1	<i>This issue has been resolved.</i>		
BFR/NBR (ATTACHMENT 11)					
107	11-1	1.5, 1.8.1, 1.9, 1.10	<i>This issue has been resolved.</i>		

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SUPPLEMENTAL ISSUES					
108	S-1		<i>How should the Final FCC Unbundling Rules² be incorporated into the Agreement?</i>	<p>The Agreement should not automatically incorporate the "Final FCC Unbundling Rules." The Parties should negotiate contract language that reflects an agreement to abide by those rules, or to other standards, if they mutually agree to do so. Any issues which the Parties are unable to resolve should be resolved through Commission arbitration. The effective date of the resulting rates, terms and conditions should be the same as all others – ten (10) calendar days after the last signature executing the Agreement.</p> <p><i>This is an issue which Joint Petitioners are agreeable to having resolved in the Commission's Generic Proceeding (SCPSC Docket No. 2004-316-C), provided that adequate procedures are established for translating the results of the generic resolution of these issues into compliant contract language that gets incorporated into the arbitrated Agreement.</i></p>	<p><i>BellSouth submits that this issue should be resolved in the Change of Law Generic Proceeding. BellSouth also reserves the right to modify its position as it has yet to incorporate the findings from the TRRO into its positions. Subject to the foregoing, BellSouth's position on this issue is set forth below.</i></p> <p>BellSouth's position is that the Agreement should automatically incorporate the FCC Final Unbundling Rules immediately upon those rules becoming effective.</p>
109	S-2		<i>(A) Should any intervening FCC Order adopted in CC Docket 01-338 or WC Docket 04-313 be</i>	<p>(A) The Agreement should not automatically incorporate an "intervening FCC order" adopted in CC Docket 01-338 or WC Docket 04-313. After release of an</p>	<p><i>Because the FCC's Triennial Review Order on Remand (FCC 04-290) became effective as of March 11, 2005, this issue is moot. Subject to the</i></p>

² FINAL FCC UNBUNDLING RULES - is defined as an effective order of the FCC adopted pursuant to the Notice of Proposed Rulemaking, WC Docket No. 04-313, released August 20, 2004, and effective September 13, 2004. That Order is the Triennial Review Remand Order ("TRRO") released by the FCC on February 4, 2005 and effective March 11, 2005.

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			<p><i>incorporated into the Agreement? If so, how?</i></p> <p><i>(B) Should any intervening State Commission Order relating to the unbundling obligations, if any, be incorporated into the Agreement? If so, how?</i></p>	<p>intervening FCC order, the Parties should negotiate contract language that reflects an agreement to abide by the intervening FCC order, or to other standards, if they mutually agree to do so. Any issues which the Parties are unable to resolve should be resolved through Commission arbitration. The effective date of the resulting rates, terms and conditions should be the same as all others – ten (10) calendar days after the last signature executing the Agreement.</p> <p>(B) The Agreement should not automatically incorporate an intervening State Commission order. After release of an intervening State Commission order, the Parties should negotiate contract language that reflects an agreement to abide by the intervening State Commission order, or to other standards, if they mutually agree to do so. Any issues which the Parties are unable to resolve should be resolved through Commission arbitration. The effective date of the resulting rates, terms and conditions should be the same as all others – ten (10) calendar days after the last signature executing the Agreement.</p>	<p><i>foregoing, BellSouth's position on this issue is set forth below.</i></p> <p>(A) If the FCC enters an intervening order prior to issuing the Final FCC Unbundling Rules, the requirements of the intervening order should take precedence over rates, terms, and conditions in the Agreement that are inconsistent with the rates, terms, and conditions set forth in the intervening order. In order to effectuate this, the Agreement should automatically incorporate any intervening order on the effective date of such order.</p> <p>(B) <i>Sub-issue 109(B) is inappropriate for arbitration because it exceeds the scope of the parties' agreement regarding what could be raised as a supplemental issue. Subject to the foregoing, BellSouth's position on this issue is set forth below.</i></p> <p>State commissions are preempted from making any changes to the FCC findings in FCC 04-179, except for the issuance of an order increasing rates for frozen elements, as set forth in FCC 04-179. Consequently, any state commission order (other than one increasing rates for the frozen elements) should not be</p>
				<p>Because the FCC's Triennial Review Order on Remand (FCC 04-290) became effective</p>	

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ISSUE #	ITEM No.	§	UNRESOLVED ISSUE	JOINT PETITIONERS' POSITION	BELLSOUTH POSITION
				<i>as released, this issue is moot as of March 11, 2005, the effective date of that order.</i>	incorporated into the Agreement.
110	S-3		<i>If FCC 04-179 is vacated or otherwise modified by a court of competent jurisdiction, how should such order or decision be incorporated into the Agreement?</i>	<p>In the event that FCC 04-179 is vacated or modified, the Agreement should not automatically incorporate the court order. Upon release of such a court order, the Parties should negotiate contract language that reflects an agreement to abide by the court order (to the extent the court order effectuates a change in law with practical consequences), or to other standards, if they mutually agree to do so. Any issues which the Parties are unable to resolve should be resolved through Commission arbitration. The effective date of the resulting rates, terms and conditions should be the same as all others – ten (10) calendar days after the last signature executing the Agreement.</p> <p><i>Because the FCC's Triennial Review Order on Remand (FCC 04-290) became effective as of March 11, 2005, this issue is moot as of that order.</i></p>	<p><i>Because the FCC's Triennial Review Order on Remand (FCC 04-290) became effective as of March 11, 2005, this issue is moot. Subject to the foregoing, BellSouth's position on this issue is set forth below.</i></p> <p>In the event a court of competent jurisdiction vacates all or part of FCC 04-179, there will be no valid impairment findings with respect to the vacated elements. Thus, the Agreement should automatically incorporate the state of the law on the date the order or decision becomes effective.</p>
111	S-4		<i>What post Interim Period transition plan should be incorporated into the Agreement?</i>	<p><i>Because the FCC's Triennial Review Order on Remand (FCC 04-290) became effective as released, this issue is moot as of March 11, 2005, the effective date of that order.</i></p> <p>The "Transition Period" or transition plan proposed by the FCC for the six months following the Interim Period has not been adopted by the FCC, but was merely proposed in FCC 04-179. The FCC sought comment on the proposal and on transition plans in general. The transition Period</p>	<p><i>BellSouth submits that this issue is moot. To the extent a question exists to what Transition Period should govern after March 11, 2005, BellSouth submits that the Transition Period set forth in the TRRO should be automatically incorporated into the agreement.</i></p>

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Issue #	Item No.	§	UNRESOLVED ISSUE	JOINT PETITIONERS' POSITION	BELL SOUTH POSITION
				<p>proposed was not the transition plan adopted in the TRRO. With the Final FCC Unbundling Rules now effective, the Parties should negotiate contract language that reflects an agreement to abide by the transition plan adopted therein or to other standards, if they mutually agree to do so. Any issues which the Parties are unable to resolve should be resolved through Commission arbitration. The effective date of the resulting rates, terms and conditions should be the same as all others – ten (10) calendar days after the last signature executing the Agreement.</p> <p><i>Because the FCC's Triennial Review Order on Remand (FCC 04-290) became effective as released, the first part of this issue (first question) is moot as of March 11, 2005, the effective date of that order.</i></p> <p><i>The second part of this issue (second question) is an issue which Joint Petitioners are agreeable to having resolved in the Commission's Generic Proceeding (SCPSC Docket No. 2004-316-C , provided that adequate procedures are established for translating the results of the generic resolution of these issues into compliant contract language that gets incorporated into the arbitrated Agreement.</i></p>	<p><i>Subject to the foregoing, BellSouth's position on this issue is set forth below.</i></p> <p>FCC 04-179 states that, in the absence of Final FCC Unbundling Rules that modify the requirements of the Transition Period, the Transition Period specified in FCC 04-179 will take effect at the end of the Interim Period. Therefore, the Agreement should automatically incorporate the FCC's Transition Period once it becomes effective. In the event the Final FCC's Unbundling Rules or an intervening order of the FCC modifies the requirements of the FCC's Transition Period, such modified requirements should take effect in accordance with BellSouth's position on Issues 1 and 2 above.</p>

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ISSUE #	ITEM NO.	§	UNRESOLVED ISSUE	JOINT PETITIONERS' POSITION	BELL SOUTH POSITION
112	S-5		<p>(A) <i>What rates, terms and conditions relating to switching, enterprise market loops and dedicated transport were "frozen" by FCC 04-179?</i></p> <p>(B) <i>How should these rates, terms and conditions be incorporated into the Agreement?</i></p>	<p>(A) The rates, terms and conditions relating to switching, enterprise market loops and dedicated transport from each CLEC's interconnection agreement that was in effect as of June 15, 2004 were "frozen" by FCC 04-179.</p> <p>(B) The frozen rates, terms and conditions should be incorporated into the Agreement as they appeared in each Joint Petitioner's interconnection agreement that was in effect as of June 15, 2004. In so doing, it should be made clear that the switching rates, terms and conditions that were frozen apply only with respect to mass market switching and not with respect to enterprise market switching. It also should be made clear that the loop provisions are frozen with respect to DS1 and higher capacity level loop facilities, including dark fiber. The Parties agree that these constitute "enterprise market loops". The modified definitions proposed by BellSouth should be rejected. The frozen provisions should not be modified to reflect BellSouth's proposed more restrictive definition of dedicated transport.</p> <p><i>Because the FCC's Triennial Review Order on Remand (FCC 04-290) became effective as released, this issue is moot as of March 11, 2005, the effective date of that order.</i></p>	<p><i>Because the FCC's Triennial Review Order on Remand (FCC 04-290) became effective as of March 11, 2005, this issue is moot. Subject to the foregoing, BellSouth's position on this issue is set forth below.</i></p> <p>The rates, terms and conditions for the following defined elements were frozen:</p> <p>Switching -- Mass Market Switching and all elements that must be made available when switching is made available. Mass Market Switching is unbundled access to local switching except when the CLEC: (1) serves an End User with four (4) or more voice-grade (DSO) equivalents or lines served by the ILEC in Density Zone 1 of the top 50 MSAs; or (2) serves an End User with a DS1 or higher capacity service or UNE Loop.</p> <p>Enterprise Market Loops -- those transmission facilities between a distribution frame (or its equivalent) in the ILEC's central office and the loop demarcation point at an end user customer premises at a DS1 or higher level capacity, including dark fiber loops.</p>

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					Dedicated Transport -- the transmission facilities connecting ILEC switches and wire centers in a LATA. at a DS1 or higher level capacity, including dark fiber transport.
113	S-6		<p>(A) <i>Is BellSouth obligated to provide unbundled access to DS1 loops, DS3 loops and dark fiber loops?</i></p> <p>(B) <i>If so, under what rates, terms and conditions?</i></p>	<p>(A) Yes. BellSouth is obligated to provide DS1, DS3 and dark fiber loop UNEs. <i>USTA II</i> did not vacate the FCC's rules which require BellSouth to make available DS1, DS3 and dark fiber loop UNEs. <i>USTA II</i> also did not eliminate section 251, CLEC impairment, section 271 or the Commission's jurisdiction under federal or state law to require BellSouth to provide unbundled access to DS1, DS3 and dark fiber loop UNEs.</p> <p>(B) BellSouth is obligated to provide access to DS1, DS3 and dark fiber loop UNEs at TELRIC-compliant rates approved by the Commission. DS1, DS3 and dark fiber loops unbundled on other than a section 251 statutory basis should be made available at</p>	<p><i>BellSouth submits that this issue should be resolved in the Change of Law Generic Proceeding. BellSouth also reserves the right to modify its position as it has yet to incorporate the findings from the TRRO into its positions.</i></p> <p><i>Furthermore, to the extent that the Joint Petitioners are attempting to expand the scope this issue to address BellSouth's Section 271 obligation or state requirements, such attempt is inappropriate and outside the jurisdiction of the Commission. Fundamentally, a Section 252 arbitration proceeding is not the proper forum to address these arguments and the Commission should reject them.</i></p>

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ISSUE #	ITEM NO.	§	UNRESOLVED ISSUE	JOINT PETITIONERS' POSITION	BELLSOUTH POSITION
				<p>TELRIC-compliant rates approved by the Commission until such time as it is determined that another pricing standard applies and the Commission establishes rates pursuant to that standard.</p> <p><i>This is an issue which Joint Petitioners are agreeable to having resolved in the Commission's Generic Proceeding (SCPSC Docket No. 2004-316-C), provided that adequate procedures are established for translating the results of the generic resolution of these issues into compliant contract language that gets incorporated into the arbitrated Agreement.</i></p>	<p><i>Finally, this issue is inappropriate for arbitration because it exceeds the scope of the parties' agreement regarding what could be raised as a supplemental issue.</i></p> <p><i>Subject to the foregoing, BellSouth's position on this issue is set forth below.</i></p> <p><i>USTA II vacated BellSouth's obligations to provide high capacity loops and dark fiber. Pursuant to the Act, there can be no obligation to unbundle any element unless the FCC has found impairment.</i></p>
114	S-7		<p><i>(A) Is BellSouth obligated to provide unbundled access to DS1 dedicated transport, DS3 dedicated transport and dark fiber transport?</i></p> <p><i>(B) If so, under what rates, terms and conditions?</i></p>	<p>(A) Yes. BellSouth is obligated to provide unbundled access to DS1 dedicated transport, DS3 dedicated transport and dark fiber transport. <i>USTA II</i> did not eliminate section 251, CLEC impairment, section 271 or the Commission's jurisdiction under federal or state law to require BellSouth to provide unbundled access to DS1, DS3 and dark fiber transport.</p> <p>(B) Pursuant to section 251, BellSouth is obligated to provide access to DS1, DS3 and dark fiber transport UNEs at TELRIC-compliant rates approved by the Commission. DS1, DS3 and dark fiber transport unbundled on other than a section</p>	<p><i>BellSouth submits that this issue should be resolved in the Change of Law Generic Proceeding. BellSouth also reserves the right to modify its position as it has yet to incorporate the findings from the TRRO into its positions.</i></p> <p><i>Furthermore, to the extent that the Joint Petitioners are attempting to expand the scope this issue to address BellSouth's Section 271 obligation or state requirements, such attempt is inappropriate and outside the jurisdiction of the Commission. Fundamentally, a Section 252 arbitration proceeding is not the proper</i></p>

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ISSUE #	ITEM NO.	§	UNRESOLVED ISSUE	JOINT PETITIONERS' POSITION	BELL SOUTH POSITION
				<p>251 statutory basis should be made available at TELRIC-compliant rates approved by the Commission until such time as it is determined that another pricing standard applies and the Commission establishes rates pursuant to that standard.</p> <p><i>This is an issue which Joint Petitioners are agreeable to having resolved in the Commission's Generic Proceeding (SCPSC Docket No. 2004-316-C , provided that adequate procedures are established for translating the results of the generic resolution of these issues into compliant contract language that gets incorporated into the arbitrated Agreement.</i></p>	<p><i>forum to address these arguments and the Commission should reject them.</i></p> <p><i>Finally, this issue is inappropriate for arbitration because it exceeds the scope of the parties' agreement regarding what could be raised as a supplemental issue.</i></p> <p><i>Subject to the foregoing, BellSouth's position on this issue is set forth below.</i></p> <p><i>USTA II vacated BellSouth's obligations to provide high capacity loops and dark fiber. Pursuant to the Act, there can be no obligation to unbundle any element unless the FCC has found impairment.</i></p>
115	S-8		<i>This issue has been resolved.</i>		

STATE OF SOUTH CAROLINA)

COUNTY OF RICHLAND)

CERTIFICATE OF SERVICE

The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for BellSouth Telecommunications, Inc. ("BellSouth") and that she has caused BellSouth Telecommunications, Inc.'s Answer to the Petition for Arbitration of NewSouth Communications Corp., Nuvox Communications, Inc., KMC Telecom V, Inc., KMC Telecom III LLC, and Xspedius Communications, LLC in Docket No. 2005-57-C to be served upon the following this April 5, 2005:

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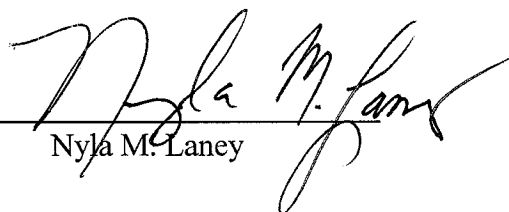
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